

*Arthur V. Belendiuk*

ATTORNEY AT LAW  
1920 N STREET, N.W.  
SUITE 510  
WASHINGTON, D.C. 20036  
(202) 887-0600

July 16, 1987

Mr. John Cossart, Esquire  
BellSouth Mobility  
5600 Glenridge Drive  
Suite 600  
Atlanta, Georgia 30342

Re: La Star Cellular Telephone Company  
New Orleans, Louisiana SMSA

Dear Mr. Cossart:

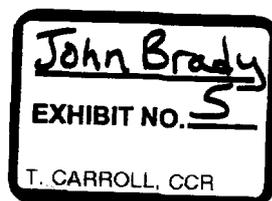
I am writing on behalf of the management committee of La Star Cellular Telephone Company. It has come to my attention that you, on behalf of BellSouth Mobility, have initiated direct settlement negotiations with certain principals of La Star. In addition, I have been informed that Roy Ethridge, your company's General Manager, has also contacted other La Star principals for the purpose of discussing settlement. This has led to some confusion between La Star's partners concerning BellSouth's settlement position. To avoid further confusion, the partnership committee has decided that the more appropriate channel for all communications between BellSouth and La Star should be through my office.

Be assured that La Star is willing to negotiate, in good faith, for a settlement in Louisiana. If BellSouth is interested in pursuing negotiations, please contact me directly.

Sincerely,

*Arthur V. Belendiuk*  
Arthur V. Belendiuk

cc: Ira Lieberman  
Alvin Kimble  
John Brady  
Roy Ethridge  
Alan B. Sternstein, Esquire  
Frederick W. Johnson, Esquire



USCC00132



*Arthur V. Belenduk*

ATTORNEY AT LAW  
1320 N STREET N.W.  
SUITE 510  
WASHINGTON, D.C. 20036  
202/987-0600

December 2, 1987

Mr. John Cossart, Esquire  
BellSouth Mobility  
5600 Glenridge Drive  
Suite 600  
Atlanta, Georgia 30342

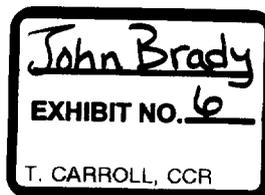
Re: La Star Cellular Telephone Company  
New Orleans, Louisiana MSA

Dear Mr. Cossart:

I am writing on behalf of the management committee of La Star Cellular Telephone Company. The Committee has reviewed your settlement offer in which BellSouth Mobility proposes that a limited partnership be formed between its subsidiary, New Orleans, CGSA, Inc. and La Star. The proposed structure of the limited partnership to operate cellular service in the entire New Orleans MSA would be as follows: New Orleans CGSA would have a 60 percent interest as the sole general partner and a 37 percent interest as a limited partner, and La Star would have a 3 percent interest as a limited partner. The management committee does not feel that this offer gives La Star a fair share of the market and hereby rejects this offer.

However, La Star is interested in obtaining a mutually beneficial settlement and towards that end offers the following counter proposal. A general partnership would be formed between New Orleans CGSA and La Star to operate cellular service in the entire New Orleans MSA. New Orleans CGSA would be the majority partner and have 67 percent interest, and La Star would be the minority partner with 23 percent interest.

The parties to the partnership would provide all capital required for the provision of cellular service in the New Orleans MSA in proportion to each party's partnership interest. At the creation of the general partnership, the capital accounts of each party would be established in the following manner: New Orleans CGSA would contribute all of the real property and equipment presently used by it for the provision of cellular service in the New Orleans MSA. La Star would be credited in the Partnership books with an amount representing 23 percent of the net system investment. Thereafter, each party shall contribute additional capital to fund the provision as the party's share of the capital account.



T. CARROLL, CCR

AB01621

La Star looks forward to BellSouth Mobility's response to this offer and maintains its position that it is willing to meet with BellSouth Mobility to address the details of a settlement.

Sincerely,



Arthur V. Belendiuk

cc: John Brady  
James P. Brady  
Kenneth R. Meyers  
Sinclair Crenshaw  
H. Donald Nelson

AB01622



*Ref Ex 7*

*Arthur V. Belendiuk*

ATTORNEY AT LAW  
1920 N STREET N W  
SUITE 510  
WASHINGTON, D.C. 20036  
(202) 887-0600

February 23, 1988

Mr. John Brady  
La Fourche Telephone Co., Inc.  
P.O. Box 188  
LaRose, LA 70373

**VIA FEDERAL EXPRESS**

Dear Mr. Brady:

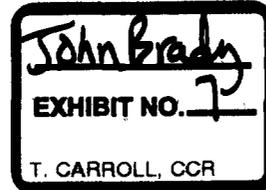
Enclosed are three copies of FCC Form 401. Please sign where indicated, but **do not** complete any other sections, and return to this office via Federal Express. We are unable to use the ones you originally sent because you indicated that you are President of La Star. However, your actual title is Chairman of the Management Committee.

Please call if you have any questions.

Sincerely,

*Arthur V. Belendiuk*  
Arthur V. Belendiuk

Enclosures



*Returned orig. to  
Belendiuk 2/24/88.*

SJI 004583

FCC Use Only Call Sign	File No.												
<b>FCC 401</b> <b>FEDERAL COMMUNICATIONS COMMISSION</b> Washington, D.C. 20554 <b>APPLICATION FOR NEW OR MODIFIED COMMON CARRIER RADIO STATION AUTHORIZATION</b> <b>UNDER PART 22</b> <b>Schedule A - (Complete One Schedule A Per Application)</b>													
Approved by OMB 3060-0046 Expires 4/30/87													
<b>1. Does this application refer to an existing station?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES," give Call Sign:	<b>2. Is this an amendment to a pending application?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES," give File No.:												
<b>3. Name of Applicant.</b> Indicate the name, mailing address and telephone number of the applicant. (For Subsidiary Communications Authorizations, see Instruction No. 5(C). Legal Name of Applicant (If person, list last name first) Assumed Name Used for Doing Business (if any) Mailing Street Address or P.O. Box, City, State and ZIP Code Area Code - Telephone No.													
<b>4. Contact Representative.</b> Indicate the name, mailing address, and telephone number of person to contact, if other than applicant. Name (Last name first) Firm or Company Name Mailing Street Address or P.O. Box, City, State and ZIP Code Area Code - Telephone No.													
<b>5. Indicate the number of separate sites requested in this application.</b> <input type="text" value=""/>													
<b>6. Type of Service (Mark "X" One)</b> A. <input type="checkbox"/> One-Way (Except Subsidiary Communications Authorization) B. <input type="checkbox"/> Two-Way C. <input type="checkbox"/> Both One-Way and Two-Way D. <input type="checkbox"/> One-Way (Subsidiary Communications Authorization) Will Broadcast facilities be leased? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES," submit as Exhibit _____, the name and address of the proposed lessee.	<b>7. Nature of Service (Mark "X" One)</b> A. <input type="checkbox"/> Public Land Mobile Service (Other than Air-Ground Radiotelephone Service) B. <input type="checkbox"/> Domestic Public Cellular Radio Telecommunications Service Attach as Exhibit _____ a showing of financial qualifications as required by Section 22.917 of FCC Rules and Regulations C. <input type="checkbox"/> Offshore Radio Service D. <input type="checkbox"/> Rural Radio Service E. <input type="checkbox"/> Air-Ground Radiotelephone Service F. <input type="checkbox"/> Developmental Attach as Exhibit _____ a narrative statement in support of the request. (See Subpart F, Part 22 of FCC Rules and Regulations.												
<b>8. Carrier Type</b> A. <input type="checkbox"/> Radio Common Carrier B. <input type="checkbox"/> Wireline Common Carrier													
<b>9. Control Points - Table MOB-1A:</b> to be completed for control points which are initial, additional or deleted. In Column (B) use the following symbols to specify status: I=Initial; A=Additional; D=Deleted.													
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:30%; text-align: center;">(A) Location (Street Address, City or Town and State)</th> <th style="width:10%; text-align: center;">(B) I, A or D</th> <th style="width:60%; text-align: center;">FCC Use Only Control Point No.</th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> </tbody> </table>	(A) Location (Street Address, City or Town and State)	(B) I, A or D	FCC Use Only Control Point No.	1.			2.			3.			
(A) Location (Street Address, City or Town and State)	(B) I, A or D	FCC Use Only Control Point No.											
1.													
2.													
3.													
<b>Table MOB-1B:</b> to be completed for control points which are to be relocated. Give the present location first, followed by the proposed location.													
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:70%; text-align: center;">Location (Street Address, City or Town and State)</th> <th style="width:30%; text-align: center;">FCC Use Only Location No.</th> </tr> </thead> <tbody> <tr> <td>1. Present Location: Proposed Location:</td> <td></td> </tr> <tr> <td>2. Present Location: Proposed Location:</td> <td></td> </tr> </tbody> </table>	Location (Street Address, City or Town and State)	FCC Use Only Location No.	1. Present Location: Proposed Location:		2. Present Location: Proposed Location:		SJI 004584						
Location (Street Address, City or Town and State)	FCC Use Only Location No.												
1. Present Location: Proposed Location:													
2. Present Location: Proposed Location:													

10. Applicant is: (Mark "X" One)

A.  Individual      B.  Partnership

C.  Unincorporated Association      D.  Corporation

11. If applicant is a corporation (including joint stock companies) identify the state or country laws under which it is organized.

Place an "X" in the appropriate column.

12. Does the applicant certify that it complies with Section 310(b) of the Communications Act of 1934, as amended, and Section 22.4 of the Commission's Rules regarding alien ownership and control?  
 If "NO," attach as Exhibit \_\_\_\_\_ a statement describing applicant's ownership or control by aliens.

13. Is applicant directly or indirectly controlled by any other corporation?  
 If "YES," give names and addresses of all such controlling corporations, including organization having ultimate control, in Exhibit \_\_\_\_\_.

14. Has applicant or any party to this application had any FCC station license or permit revoked or had any application for permit, license or renewal denied by this Commission?  
 If "YES," attach as Exhibit \_\_\_\_\_ a showing giving call sign of license or permit revoked and relate circumstances.

15. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangements, or any other means or unfair methods of competition?  
 If "YES," attach as Exhibit \_\_\_\_\_ a statement relating the facts.

16. Has the applicant, or any party to this application, or any person directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court?  
 If "YES," attach as Exhibit \_\_\_\_\_ a statement relating the facts.

17. Is applicant, or any person directly or indirectly controlling the applicant, presently a party in any pending matter referred to in Items 15 and 16?  
 If "YES," show in Exhibit \_\_\_\_\_ a statement relating the facts.

18. Is applicant directly or indirectly, through stock ownership, contract, or otherwise currently interested in the ownership or control of any other licensed radio station or pending application for radio stations under Part 22 within 40 miles of the station applied for here? (See Sections 22.13(a) of FCC Rules and Regulations.)  
 If "YES," show, for each, call sign (if known), file no. (if pending), service, base station location (city and state), frequency and name of licensee in Exhibit \_\_\_\_\_.

19. Has applicant been denied state certification for the facilities proposed in this application?  
 If "YES," attach as Exhibit \_\_\_\_\_ a statement describing the state authority's action and any pending appeals, or whether the state appeal process has been exhausted and attach copies of any relevant decisions.

20. Is this an application for one or more additional channels for which a loading study is required per Sections 22.16 and 22.516 of FCC Rules?  
 If "YES," include required loading study as Exhibit \_\_\_\_\_. In the same Exhibit, show data on hold orders or from a valid statistical survey or any other materials which demonstrate that the public interest would be served by grant of this application.

21. Is this application for more than one channel on a new system?  
 If "YES," show, in Exhibit \_\_\_\_\_ data on hold orders or from a valid statistical survey or any other materials which demonstrates that the public interest would be served by grant of this application.

22. List below the Exhibits that are attached to this application.

Exhibit Number	Sec. and/or Item No. of Rule or Form	Exhibit Number	Sec. and/or Item No. of Rule or Form	Exhibit Number	Sec. and/or Item No. of Rule or Form

**CERTIFICATION**

The APPLICANT certifies any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in connection with this application. All statements made in the attached exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that the statements made in this application are true, complete and correct to the best of his (her) knowledge and belief, and are made in good faith.

WILLFUL FALSE STATEMENTS MADE ON THIS APPLICATION ARE PUNISHABLE BY FINE AND IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1))

23. Date	24. Typed Name of Person Signing
25. Signature	26. Title (Position Held by Person Signing Application)

10. Applicant is: (Mark "X" One)

A.  Individual      B.  Partnership

C.  Unincorporated Association      D.  Corporation

11. If applicant is a corporation (including joint stock companies) identify the state or country laws under which it is organized.

Place an "X" in the appropriate column.

	YES	NO
--	-----	----

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23. Date	24. Typed Name of Person Signing	25. Signature	26. Title (Position Held by Person Signing Application)
			

<p>10. Applicant is: (Mark "X" One)</p> <p>A. <input type="checkbox"/> Individual      B. <input type="checkbox"/> Partnership</p> <p>C. <input type="checkbox"/> Unincorporated Association      D. <input type="checkbox"/> Corporation</p>	<p>11. If applicant is a corporation (including joint stock companies) identify the state or country laws under which it is organized.</p>
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		YES	NO
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	25. Signature 	26. Title (Position Held by Person Signing Application)

SJI 004587



Corporate Office  
79 West Monroe Street  
Suite 905  
Chicago, Illinois 60603-4974  
312-630-1900  
Cable TDSINC



**Telephone and  
Data Systems, Inc.**

*Excellent Communications Services*

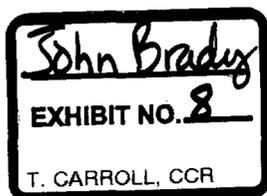
February 26, 1988

Mr. John A. Brady  
Member Management Committee  
LaStar Cellular Telephone Company  
112 West Tenth Street  
Larose, Louisiana 70373

Dear Mr. Brady:

Telephone and Data Systems, Inc. ("TDS") agrees to lend to LaStar Cellular Telephone Company ("the Borrower"), an aggregate sum of Three Million Five Hundred Thousand Dollars (\$3,500,000) in accordance with the following terms:

AMOUNT OF LOAN:	\$3,500,000
RATE:	Fluctuating Prime Commercial Rate of Australia and New Zealand Banking Group Limited, plus 2%.
MATURITY:	Fifth anniversary from closing or upon termination of interim operating authority.
TERMS:	Interest payable quarterly, level payments of principal beginning on the second anniversary of closing and annually thereafter until final maturity. There is no prepayment penalty on this loan.
MAKER OF NOTE:	The Borrower.
COLLATERAL:	All assets of Borrower to be secured by a first lien on its real property and first security interest in its personal property, except for any applicable purchase money liens for equipment vendors.



SJI 003731

We understand that, In the absence of prior consent of the FCC, TDS can have no control over the affairs of the Company with respect to its cellular activity. In the event of default on the note, TDS agrees to provide ten (10) days prior written notice to the Borrower and the FCC before any equipment that may secure this loan agreement would be repossessed.

OTHER CONDITIONS:

1. Borrower will deliver to TDS a copy of its Joint Venture Agreement. There shall not be any change in the Joint Venture Agreement prior to closing without the consent of TDS, which shall not be withheld unreasonably.
2. The Borrower shall, prior to closing, have received interim operating authority.
3. A majority interest in the permittee or licensee at the time of closing and thereafter shall at all times be beneficially owned by LaStar.
4. If the Borrower does not provide notice of its desire to close the Loan at least thirty (30) days prior to the 1st anniversary of the date of this Commitment, or thirty (30) days after the FCC grant becomes final, whichever is later, then this Commitment will become subject to cancellation by TDS, on ten days written notice. The closing will be held at a time and place specified by TDS which shall be not more than thirty (30) days and not less than ten (10) days after the receipt of the Borrower's notice to close and its satisfaction of the pre-closing

conditions. In connection therewith Borrower agrees to execute and deliver loan and security documentation consistent with this agreement and in a form acceptable to TDS.

DISPERSAL:

Funds shall be dispersed in amounts sufficient to permit the construction of the system and its operation for at least one year.

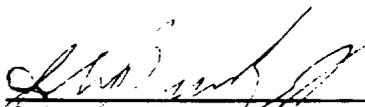
We understand that this commitment is being furnished to the FCC in support of your application to provide cellular service in a portion of the New Orleans MSA, and you may rely upon this commitment as a demonstration of your financial qualifications to receive such a construction permit.

Sincerely,

TELEPHONE AND DATA SYSTEMS, INC.

  
Murray L. Swanson  
Vice President - Finance

Accepted and Approved:

By:   
John A. Brady  
Chairman - Lostar Management Committee

MLS/dml

SJI 003733



RECYCLED

ALL STATE LEGAL SUPPLY CO 1-800-222-0652 ED-1

LAW OFFICES  
SMITHWICK & BELENDIUK, P.C.

TELECOPIER  
(202) 785-2804

2033 M STREET, N.W.  
SUITE 207  
WASHINGTON, D.C. 20036

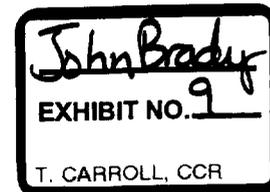
TELEPHONE  
(202) 785-2800

June 12, 1990

VIA FACSIMILE  
(202) 467-8918  
(504) 693-0230

Alan Y. Naftalin, Esquire  
Koteen & Naftalin  
1150 Connecticut Ave., N.W.  
Washington, DC 20036

Mr. Kit Krenshaw  
La Fourche Telephone Company, Inc.  
112 W. Tenth St.  
P.O. Box 188  
La Rose, LA 73073



Gentlemen:

First let me bring you up to date on what has occurred since we last spoke. The La Star Order was published in the Federal Register on Monday, June 11, 1990. This sets the ten day period for filing Notices of Appearance, the thirty day period for filing amendments, the fifteen day period for filing Motions to Enlarge, the twenty day period for Request for Admissions, the thirty day period for direct cases and the forty-five day period for rebuttal cases.

This morning I received a telephone call from Andy Tollin of Wilkinson, Barker, Knauer & Quinn, he has been retained by NOCGSA as hearing counsel. He requested that a prehearing conference be established with Judge Chachkin as soon as possible and we agreed on the date of June 19, 1990 at 9:00 a.m. I have no doubt that Mr. Tollin will seek to have the hearing bifurcated. At all costs, we must stop this from happening.

The transfer of control issue must be address head on. The joint venture agreement of La Star Telephone Company must be amended. Enclosed are the redline changes I propose. Specifically, Section 4.2, the third sentence dealing with the appointment, compensation or termination of a general manager requiring an 80% vote of the management committee should be stricken in its entirety. Section 4.3(xii), involving settling or withdrawing from litigation, should be stricken in its entirety. In Section 4.5, entitled Limitation of Duties of Star, should be clarified to include TDS, U.S. Cellular and their affiliates.

SMITHWICK & BELENDIUK, P.C.

Alan Nartain, Esq.  
Mr. Kit Krenshaw  
Page Two  
June 12, 1990

Section 10.1, which requires La Star to bear all expenses for filing and prosecuting the application, that portion of that section, after the semicolon, should be stricken in its entirety. Section 10.2, which specifically states that "Telephone shall not be subject to any degree of financial exposure..." the first part of that section should be stricken.

In light of the fact that a prehearing conference is set for June 19th, I would like to get an amendment filed and hand served on the Presiding Judge by the 18th of June at the latest. I will prepare a modified agreement and will have the revised contract sent via facsimile to the representatives to both partners.

Sincerely,



Arthur v. Belendiuk

Enc.  
AVB/lmv.A0612

- 7 -

#### ARTICLE IV

##### Management of the Company

4.1 Management Committee. Except as otherwise expressly provided herein, complete and exclusive power to direct and control the Company is delegated to a Management Committee. The Management Committee will consist of not more than three representatives appointed by Telephone and not more than two representatives appointed by Star, to serve at the pleasure of the appointing Partner. Each representative shall be entitled to one vote in all decisions with respect to election of Chairman of the Committee and the appointment, promotion, salary or termination of officers; however votes cast upon all other decisions shall be weighted according to the Parties' respective Ownership Interests as stated in Section 2.3 above.

4.2 The Management Committee may act, pursuant to the provisions of this Agreement, through one or more managers, employees or agents. The Management Committee will move expeditiously to appoint a General Manager or to retain an appropriate entity to manage the System. Notwithstanding the provisions of Section 4.1 above, any decision with respect to appointment, compensation, or termination of such General Manager or other System management entity, shall require the vote of 80% of the members of the Management Committee. The Management Committee shall promptly establish an Engineering Subcommittee and may establish one or more additional subcommittees of its members or other representatives of the Parties and may delegate to such subcommittees such functions as it deems appropriate. Each member of a subcommittee shall be entitled to one vote upon matters delegated to the representative subcommittee. Each Party shall be entitled to at least one representative on each such subcommittee.

Meetings of the Management Committee and any subcommittee shall be held at the principal office of the Company or at such other place as may be determined by the Management Committee. Any subcommittee shall meet as required to carry out its assigned functions.

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Meetings of the Management Committee or any subcommittee may be called by the Chairman or by the Parties possessing a majority interest in the Company on at least five (5) days' advance written notice to each member thereof, unless otherwise waived in writing. Such notice shall state the purpose or purposes for which such meeting is being called. The Chairman is responsible for calling meetings of the Management Committee at least once quarterly.

A meeting of the Management Committee or any subcommittee may be held by conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other.

Minutes reflecting the actions of the Management Committee and all subcommittees shall be kept by a Secretary designated by the Chairman. Copies of the minutes shall be maintained at the office of the Company and shall be transmitted to all Parties and to each member of the Management Committee or subcommittee taking the action within thirty (30) days after the meeting in question.

**4.3 Actions of Management Committee and Subcommittees.** Except as otherwise expressly provided herein, all actions of the Management Committee or any subcommittee may be taken directly, or may be delegated subject to ratification by the decision of the Management Committee.

Actions of the Management Committee or any subcommittee involving any of the matters enumerated below may be taken directly, or may be delegated, only upon or pursuant to the vote of 80% of the members of the Management Committee:

- (i) the entering into of any agreement or transaction between the Company and any Partner hereto, any Affiliate of a Partner or any director, officer or employee of a Partner; provided, however, that this shall not apply to agreements or transactions for the sale of Cellular service by the Company to a Partner at retail or for resale;
- (ii) distributions in amounts other than as provided by Section 3.4;

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- (lii) merger or consolidation of the Company into or with any other entity;
- (liv) acquisition of any business entity if such acquisition results in the Company's engaging indirectly in any business other than Cellular Service;
- (lv) admission of a new Partner to the Joint Venture;
- (lvi) selection of the Referee pursuant to Section 11.1(b);
- (lvii) determination of discounts for resale of cellular services to the public or for sale at bulk rates;
- (lviii) the sale, transfer, encumbrance or other conveyance of substantially all of the assets of the Joint Venture other than in connection with the acquisition of operating equipment;
- (lix) engaging in any business other than that described in Section 2.2, except to such minor extent as may arise incident to the purposes stated in such Section 2.2;
- (lx) changes in the method of allocating profits and losses to the Capital Account as set forth in Section 3.2;
- (lxi) modification or changes in the Agreement;
- (lxii) ~~settling, compromising, accepting any settlement or compromise, or withdrawing any litigation, application, or pleading before any local, state or federal court or agency of competent jurisdiction; or~~
- (lxiii) sale or other transfer of all or substantially all of the cellular operating capacity of the Company or the marketing rights thereto.

In any action requiring a vote of the Partners, a Partner may require a vote to be taken by introducing a written resolution at any meeting of the Management Committee, whereupon a vote upon such resolution must be taken within forty-five (45) days. If a Partner is absent, "abstains" from voting, or otherwise fails to vote "for" or "against" any such resolution, such failure to vote will be considered a vote "for" the resolution unless, within thirty (30) days after notice is given of the original vote on the action, such Partner notifies the Secretary of the meeting in writing of a vote "against" the action.

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**4.4 Delegation of Authority to Managers, Employees and Agents.** The Management Committee may delegate to any managers, employees and agents of the Company or to any managers, employees, and agents of Telephone such authority as the Management Committee deems necessary and appropriate for the proper and timely conduct of business of the Company consistent with the duties and limitations of the Management Committee specified herein, except that no such delegation shall circumvent the provisions of Section 4.3.

**4.5 Limitation of Duties of Star.** *TDS, USCC and* Unless otherwise authorized or permitted by the FCC; Star, its Affiliates, directors, officers or employees shall not:

- (i) enter into any agreement or transaction with the Company for the construction, management, operation, maintenance of the Company's Cellular System in the Service Area; or the marketing of the Company's Cellular System services and products at the wholesale and/or retail level;
- (ii) construct, manage, operate, or maintain the Company's Cellular System in the Service Area; or
- (iii) market the Company's Cellular System services and products.

Notwithstanding the foregoing, Star, its Affiliates, directors, officers, and employees may enter into agreements with the Company as permitted by Sections 4.3(i) hereof for the purpose of executing its duties pursuant to Sections 4.1-4.3 hereof, or for the sale, purchase transfer, encumbrance, pledge, redemption, or assignment of its interest, in whole, or in part, in the Company pursuant to Sections 6.1-6.3 hereof.

**4.6 Limitation on Acts of Partners.** Except for matters expressly reserved to the Partners, neither they nor any of them shall have any power to direct, control, or manage the Company except through their representatives to the Management Committee, and any such action by a Partner shall be void.

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appraisers will take place within thirty (30) days of the date of notice of exercise of the option to buy or sell. If the first two appraisers are unable to agree on the selection of a third appraiser, the third appraiser shall be selected by the chief officer in the New Orleans area of the American Arbitration Association. Each appraiser shall be knowledgeable in the telecommunications business. The decision of the appraisers shall be rendered within thirty (30) days of the selection of the third appraiser by majority vote. Any dispute among the appraisers which cannot be resolved by majority vote shall be submitted to arbitration in accordance with Section 12.7.

## ARTICLE X

### Specific Covenants, Representations and Warranties

10.1 Application for License. The Parties shall cooperate in good faith in filing the necessary papers and otherwise supporting the Company's efforts to secure FCC approval of this Joint Venture Agreement, and the granting of a license to operate the System, however it is understood that all expenses of filing and prosecuting the application for said license shall be borne by Star, such expenses to be reimbursed out of such revenues or external financings of the Company as shall be first available for distribution.

10.2 Limitation upon Financial Exposure, of Telephone. It is mutually agreed that Telephone shall not be subject to any degree of financial exposure until such time as a Construction Permit has been granted by the FCC; provided, however, that Any Partner dissatisfied with any condition(s) imposed on the grant of a Construction Permit to the Company may at its sole expense, petition for reconsideration of that grant limited to the acceptability of such condition(s) and/or appeal to a court the lawfulness of imposing such condition(s) on the grant.

10.3 Representations and Warranties. Each Partner represents and warrants that (1) it is a corporation duly incorporated, validly existing and in good standing in the jurisdiction of its incorporation; (2) it has full corporate power and authority to enter into this Joint Venture Agreement and to perform its obligations hereunder; (3) the execution of this Agreement has been duly authorized by all necessary and appropriate

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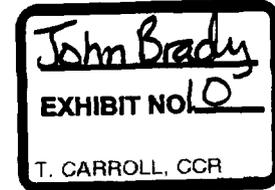
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January 29, 1991

FEDERAL EXPRESS

M E M O R A N D U M

Henry Lafont, Esquire  
230 West Main Street  
Larose, LA 70373



From: Arthur V. Belendiuk *AVB*  
Russell E. Arkin

Re: Joint Venture Agreement between SJI Cellular, Inc.  
and Star Cellular Telephone Company

Thanks for taking the time to speak with me concerning the Joint Venture Agreement of La Star Cellular Telephone Company, a joint venture owned 51 percent by SJI Cellular, Inc. ("SJI") and 49 percent by Star Cellular Telephone Company ("Star"). I am enclosing the original Joint Venture Agreement and an amendment thereto. As I mentioned, La Star Cellular Telephone Company ("La Star") and a subsidiary of BellSouth, New Orleans CGSA, Inc. ("NOCGSA") are engaged in a competitive hearing at the Federal Communications Commissions for the right to provide cellular telephone service to a portion of the New Orleans metropolitan area. Under the FCC's rules, SJI Cellular, the de jure 51 percent owner of the joint venture, must at all times here maintained de facto control over the joint venture. NOCGSA has alleged that de facto control has passed from SJI to the 49 percent joint venturer, Star Cellular Telephone Company, owned by United States Cellular Corporation ("USCC"), a subsidiary of Telephone and Data Systems, Inc. ("TDS"). NOCGSA has alleged that certain of the super majority provisions in the joint venture agreement and the fact that La Star is obtaining financing from TDS signify that Star has an impermissible degree of control over the joint venture. These allegations are ones which we can meet by reference to FCC precedent. However, if you have a look at the super majority provisions and know of any interpretations of these provisions vis a vis de facto control under Louisiana law, we would be grateful.

However, we are most interested in your looking at certain of the procedural requirements in the original Joint Venture Agreement which have not been formally observed. It is the failure to meet these provisions, in conjunction with the other

SMITHWICK & BELENDIUK, P.C.

Henry Lafont, Esquire  
January 29, 1991  
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factors cited above, which NOCGSA alleges has caused a de facto control of the joint venture to have taken place. Please have a look at the following provisions:

1. Paragraph 4.2 provides that the Management Committee will expeditiously appoint a General Manager or retain an appropriate entity to manage the system. No General Manager has been appointed nor has an appropriate entity been named to manage the system. Of course, we would maintain that until you have an operating system there is no need to make either appointment.

2. Paragraph 4.2 also provides that the Management Committee shall promptly establish an engineering subcommittee. No such subcommittee has been established. The Management Committee has made all engineering decisions.

3. Paragraph 4.2 further provides that the Management Committee or any subcommittee shall meet pursuant to at least five days advance written notice to each member of the Committee unless otherwise waived in writing. No written notices or waivers have been observed. And of course, lacking such notice, there has been no statement of purpose or purposes for the meetings.

4. Finally, Paragraph 4.2 provides that minutes reflecting the actions of the Management Committee and subcommittees shall be kept by a secretary and that the minutes shall be maintained at the office of the company and transmitted to all parties and to each member of the Management Committee within thirty days after the meeting in question. Essentially, this provision also has not been observed.

5. Paragraph 5.2 requires that the company maintain proper books and accounts in accordance with generally accepted accounting principles. Since Star, the 49 percent joint venturer, has been providing all of the funding for the prosecution of this application until recently, it kept all of the books and records although such records now have been transferred to SJI's offices.

6. The financial information required by paragraphs 5.2(i)(ii)(iii) also has not been compiled and disseminated.

Of course, the reason for the failure to observe these procedural formalities is that La Star Cellular Telephone Company is nothing more than an applicant before the FCC and has no operations or necessity for observance of these formalities. Whenever an action has needed to be taken, Arthur V. Belendiuk, La Star's communications counsel, communicated both with SJI and USCC and obtained assent to proceed with any given action. At

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